

106TH CONGRESS
2D SESSION

H. R. 5256

To prevent the premature shutdown of certain FHA mortgage insurance programs.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2000

Mr. LAFALCE introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prevent the premature shutdown of certain FHA mortgage insurance programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FHA Shutdown Pre-
5 vention Act”.

1 **SEC. 2. USE OF NEGATIVE CREDIT SUBSIDY FROM GEN-**
2 **ERAL AND SPECIAL RISK INSURANCE FUND**
3 **PROGRAMS.**

4 (a) GENERAL INSURANCE FUND.—Section 519 of the
5 National Housing Act (12 U.S.C. 1735e) is amended—

6 (1) by redesignating subsections (e) and (f) as
7 subsections (f) and (g), respectively; and

8 (2) by inserting after subsection (d) the fol-
9 lowing new subsection:

10 “(e) USE OF NEGATIVE CREDIT SUBSIDY.—

11 “(1) IN GENERAL.—In the case of any program
12 for insuring mortgages or loans which are obliga-
13 tions of the General Insurance Fund that is deter-
14 mined for any fiscal year, for purposes of title V of
15 the Congressional Budget Act of 1974 (2 U.S.C.
16 661 et seq.), to have costs (as defined in such title)
17 of a negative amount, subject to paragraph (2), the
18 amount of such negative credit subsidy shall be con-
19 sidered to be new budget authority provided in ad-
20 vance in an appropriations Act for such fiscal year
21 and shall be available for covering the costs of mak-
22 ing insurance commitments under any program for
23 insurance for mortgages or loans under which such
24 insurance is an obligation of the General Insurance
25 Fund or the Special Risk Insurance Fund.

1 “(2) APPLICABILITY.—Paragraph (1) shall
2 apply with respect to a fiscal year only if and begin-
3 ning at such time that, during such fiscal year, all
4 amounts of budget authority appropriated for such
5 fiscal year to cover the costs of programs for insur-
6 ing mortgages or loans which are obligations of the
7 General Insurance Fund or the Special Risk Insur-
8 ance Fund have been used to enter into commit-
9 ments for such insurance.”.

10 (b) SPECIAL RISK INSURANCE FUND.—Section 238
11 of the National Housing Act (12 U.S.C. 1715z–3) is
12 amended—

13 (1) by redesignating subsection (c) as sub-
14 section (d); and

15 (2) by inserting after subsection (b) the fol-
16 lowing new subsection:

17 “(c) USE OF NEGATIVE CREDIT SUBSIDY.—

18 “(1) IN GENERAL.—In the case of any program
19 for insuring mortgages or loans which are obliga-
20 tions of the Special Risk Insurance Fund that is de-
21 termined for any fiscal year, for purposes of title V
22 of the Congressional Budget Act of 1974 (2 U.S.C.
23 661 et seq.), to have costs (as defined in such title)
24 of a negative amount, subject to paragraph (2), the
25 amount of such negative credit subsidy shall be con-

1 sidered to be new budget authority provided in ad-
2 vance in an appropriations Act for such fiscal year
3 and shall be available for covering the costs of mak-
4 ing insurance commitments under any program for
5 insurance for mortgages or loans under which such
6 insurance is an obligation of the General Insurance
7 Fund or the Special Risk Insurance Fund.

8 “(2) APPLICABILITY.—Paragraph (1) shall
9 apply with respect to a fiscal year only if and begin-
10 ning at such time that, during such fiscal year, all
11 amounts of budget authority appropriated for such
12 fiscal year to cover the costs of programs for insur-
13 ing mortgages or loans which are obligations of the
14 General Insurance Fund or the Special Risk Insur-
15 ance Fund have been used to enter into commit-
16 ments for such insurance.”.

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